Issue Four | Twenty Twenty

Covisory Connect
MAGAZINE

INTRODUCTION:

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2020: A Brand New Age

2020 has certainly been an interesting year. It has had the good, the bad and the ugly. However a common theme reverberating around the world from experts is that companies have to learn fast if they want to survive and thrive. Recovery is both organic, but it is also particularly digital.

Businesses that have been able to adapt to not only remote working, but online sales and environments let alone communication with clients through one too many social media technologies continue to grow at a faster rate than more traditional businesses.

COVID has certainly accelerated the use of digital technology and those that have been early adopters are certainly benefitting from it. How have you taken the advantage that COVID has provided to move your business into the future?

Recently I was asked to speak at a seminar for 120 chartered accountants in Auckland. The theme was a resilient practice. COVID may be seen as something that affected a practice, but in many cases professional practices including chartered accounting firms, let alone other businesses, have done exceptionally well out of COVID when we might otherwise not have expected them to. The ones that were agile and moved quickly were able to take advantage of the opportunities in front of them.

This included providing information online rather than on a one by one basis to individual clients. Many are still continuing to reap rewards of new clients knocking on their doors.

2020 will go down as a year where we either had a glass half empty or a glass half full. Do we look at the downside or do we look at the upside. Technology was but one piece. It was also the question of how we marketed our businesses and how we pivoted to take new opportunities that were in front of us.

While 2021 and ultimately 2022 and beyond may not be as affected by COVID as they were in the past, at least in New Zealand, there is still opportunity for those that want to focus on their businesses and take advantages of the opportunities out there. Whether you are investing or running a business, opportunities abound. How many do you see and which ones do you want to take advantage of? What resources and planning will you need to be able to do this in the 2021 year?

So instead of just going away over Christmas for a holiday, it is a good time to reflect on the year that was and the opportunities taken and those perhaps not. What can you do better in 2021 to make not only a resilient business for yourself, but one that is not only more enjoyable but potentially a lot more profitable for yourself. The same applies to investing. There are good opportunities out there if you want to seek them out.

So take the opportunity of the Christmas holidays to not only enjoy some quality time with family (if you haven't had enough already in lockdown), but to plan actively and effectively for the next year. Time to work on your business instead of in it.

Wishing you all a very Merry Christmas and a happy and COVID free 2021.

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Are we our own best clients?

2020 will undoubtedly go down as the year of the unexpected that tested all of us in terms of not only assisting our clients but running our own businesses and practices. The question we need to ask is … Are you your own best client?

We are all very good at running around and helping our clients when they need help, but do we take time to stand back and look at what is happening in our own practice? Why cashflow is certainly king at the moment, how are your debtor's ledger and work in progress looking? Clearly, you do need to focus on getting jobs out the door, but also to collect payment for work that you have already done. When we are running around like blue-arse fly, often we just hope that money comes in. In difficult trading times like the present, it is vital to get on the phone and start collecting that money earlier than later.

Over the last month, I have been dealing with a situation that has also brought home to me the fact that accountants are not their own best clients.

Sadly, a sole practitioner chartered accountant passed away suddenly. Not unusual overall but he did trade using his own name and not through a company.

What is supposed to happen, is the practitioner should have a power of attorney (POA) in place in case of death or disability, and a copy lodged with CAANZ. By lodging the POA means it can easily be found and instigated when there is a problem. Sadly, in this case, despite practice reviews happening over many years, no power of attorney could be found.

A fellow chartered accountant and friend has stepped in to assist the widow running the practice, along with a couple of competent staff. However, passwords for online computer access have been challenging to find, and this has meant many things within the practice have been difficult to manage.

The thing that did really startle however is that following the death, the IRD was very quick to point out that there was no longer a chartered accountant operating the business and that the agency list would be shut down forthwith.

The deceased practitioner was hardly even cold in the grave before they took this very cold and clinical approach. Some decent notice period of a month or two to enable the practice to be tidied up and sold would be more appropriate, particularly when a more than competent fellow practitioner was running the practice pending the sale of the fees.

Fortunately, we have been able to get involved and assist in tidying up the practice and to have the fees sold to a competent and capable chartered accountant who will take over these particular clients going forward.

It does, however, remind me that we all need to be careful and check that we are our own best clients, that we do have powers of attorney in place, and that there is somewhere a piece of paper that tells everyone else when we are gone how to log in and do things. Maybe it is time you should check these things yourselves as well?

So, when you stop running around like a blue-arse fly trying to look after your clients, make sure you put some time aside to check that you are indeed your own best client. If you are unsure, we always here to assist you in terms of succession planning, practice valuation, and above all else, a practice health check.

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How resilient
is your professional practice?

Recently I was asked to speak to around 120 chartered accountants in public practice about building resilience into their practice, particularly in light of COVID.

You could argue that COVID did test our resilience but the bigger question was do we have resilient practices anyway and do we strive to have them.

When considering resilience, we are talking about building a practice that can handle change, interruption or other unforeseen circumstances. More importantly however, it is about building a practice where we work on our practice rather than in it and we are trying to constantly improve our practice and take advantage of opportunities be they to acquire new clients, provide new and better services to clients, or to adopt new technologies.

It is said that we only make fundamental changes in our lives when we are either sick or on holiday. Upon returning from one or other of these, if you haven't made fundamental changes within 72 hours, you will typically revert to pattern and go back to what happened before.

This leaves one to wonder how many practices took the opportunity of COVID to reinvent themselves and make themselves better, or how many simply talked about it and reverted to pattern afterwards?

COVID was not just about implementing new technology. It gave us a greater chance to engage with clients than we have ever had before. Clients were craving communication and information. We had new opportunities to improve the value that we provided to our clients either by a one to one or one to many communication methodology to pass on information around Government wage subsidies, how to handle the impact of something as unknown and significant as COVID, and to just generally make our clients feel that there was someone there to support them in the uncertain times that they also faced.

However, most professional practices were also their own worst client. While many accountants rushed to help their clients, they never sat down and thought about what COVID meant to them and their staff. Some were busy and some were not. Some went looking for work and others didn't. The overall question was however did you take advantage of the opportunity to make your professional practice better than it was?

Now that we are back to semi-normal, have we learnt anything from COVID and is now the time that we should be looking to make our practices resilient. Resilience is a state of mind and a state of action. It is not simply doing what we do every day. It is looking to make tomorrow better and to have a blue sky practice where we believe that tomorrow we will have a better practice which our clients get better value and service from, enabling us to have a better lifestyle ourselves and also, most importantly, to make more money. COVID above anything else was a change to improve our value proposition to clients and while it is over, that should be an ongoing goal for all of us in professional practices.

So can I ask that each and everyone of you that reads this that is in a professional practice take some time to work on your practice instead of in it, and come up with a strategic plan and action list of things that you need to do to truly make your practice better going forward and in doing so not only make it more resilient, but make it a better place for you and your staff to work in.

As always we would love to hear from you and discuss any of your thoughts on these matters.

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Property Market

Review

Commercial and industrial property markets have been strongly influenced by the opposing forces of a slowing economy resulting from the impact of the COVID-19 pandemic and unprecedented levels of economic stimulus from the government and Reserve Bank. The former has seen a slight softening in occupier fundamentals over the short-term while the latter has driven interest rates to historic lows and boosted demand for commercial and industrial investment assets.

Economy performing better than expected

Action taken by the Reserve Bank of New Zealand (RBNZ) to insulate, as far as possible, New Zealand businesses from the impact of COVID-19 and the relative success the country has had in dealing with the virus has seen the economy outperforming early forecasts.

Government policies including business tax refunds, small business cashflow loans, wage support and mortgage holidays successfully limited job losses and company failures

The pre-election economic and fiscal update (PREFU) released in mid-September 2020 showed the national economy to be performing more strongly than originally forecast when New Zealand first entered COVID-19 enforced lockdown.

Unemployment is now expected to peak at 7.8% as opposed to 9.8%, while Treasury now expects New Zealand's GDP to grow by an average rate of 4.2% across 2021 and 2022 outpacing many other economies such as Australia and the USA.

Office market vacancy rates on the rise having hit long-term lows

There has been a contraction in business demand as a result of the slowing economy and changes to work practices that include an increased adoption of remote working and an increased use of flexible workplace options.

In Auckland's CBD, vacancy rates have risen, albeit from record-low levels. The overall vacancy rate recorded in June increased to 6.3%, after reaching a 20-year record low of 4.7% in December 2019. When considering long-term trends and the outlook for the economy, we would expect the overall vacancy rate to trend up over the period to mid-2022, peaking at approximately 11%.

While overall vacancy rates are rising, the movement at the prime end of the market is less pronounced. Not only are vacancy rates moving from a lower base but there is evidence of a flight to quality with companies taking the opportunity to move to higher quality space. Such opportunities have been limited over the last few years and generally involved a significant increase in rental costs when they did arise. With landlords currently offering greater incentives, the cost differential has, to a degree, been offset. Prime vacancy rates within Auckland's CBD stood at 3.5% in June 2020, up slightly from 2.8% in June 2019.

Given continual revisions in economic activity to the upside, these provisional forecasts of higher vacancy rates could be revised downwards. By way of example, the rise in sublease space that started in the first half of 2020 has not materially increased in the second half of 2020.

Rental rates ease after strong growth

The tight market conditions experienced over recent years has seen upward pressure applied to rents, bolstered by the addition of new supply which has set new rental benchmarks.

The downturn in tenant demand has clearly changed this dynamic with potential tenants in a far stronger negotiating position. There is a variation in trends dependant upon the quality of the space on offer. Face rents are generally holding in the prime sector, however, the level of incentives on offer has increased, primarily through an increase in rent free periods or more generous contributions towards fit outs.

Industrial sector continues its strong performance

Despite COVID-19 enforced lockdowns and the resultant downturn in the economy, increases in vacancy rates across Auckland's industrial precincts have been limited and look to be at, or close to, peak levels.

Overall vacancy edged up over the six months to August 2020 rising to 2.1% from the 1.4% recorded in February.

Vacancy within the prime grade sector of the market remains very low at 1.2% at August 2020, down slightly from 1.4% recorded in August 2019. Secondary space has seen vacancy increase from 1.9% to 2.5% over the same time period. Prospects for further increases in the regional vacancy rate appear limited with agency reports advising that leasing demand is strong across a wide range of industry sectors.

Demand for space bolsters development sector

Building consent data, recently released by Statistics New Zealand, provides a vivid illustration of the confidence which developers have in the future

prospects for the industrial sector. The value of building consents for industrial sector activity issued in September was at a record high for both the Auckland region and the remainder of New Zealand. In the case of Auckland, the value of consents, which had reached a record of $115 million in August, surpassed $119 million in September. The combined value of the last two months exceeded that of the previous six months combined.

The surge in consent issuance over the last two months has lifted rolling annual totals to new record levels. The Auckland region has seen just short of $615 million worth of new development given the green light over the 12 months to September.

Low interest rate environment drives demand for Investment assets

Action taken by the RBNZ to stimulate the economy has driven interest rates to historic lows. The OCR currently sits at 0.25% and the Bank has not ruled out taking it lower should circumstances require it.

It seems clear that the low interest rate environment is now cemented in place for an extended period of time. This has had the effect of heightening demand for higher yielding assets.

High net worth individuals, syndicators and property funds are all active in the market. Overseas entities also remain interested in the New Zealand market.

Industrial assets have seen particularly strong demand with renewed yield compression evident for prime grade offerings.

Well located, high quality office premises with strong occupier fundamentals continue to attract high levels of investor interest with a number of major assets sold in Auckland, Wellington and Christchurch over recent months.

The rise in demand and the lower cost of funding is applying pressure on prices to rise and yields to firm. Under current economic and property market conditions, this is a trend expected to continue over the remainder of
2020 and 2021.

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Following a goal
One step at a time

Micheal Colosimo has over 30 years in the food industry with his goal to make Italian Cuisine accessible to his home city of Auckland and surrounding regions. His original recipes are at the heart of the iconic St Heliers Italian restaurant - Scalini's Ristorante.

Scalinis stands for small steps in Italian. Michael has taken many steps over the years to get where he is today. One of his goals for a long time has been to place a premium preprepared Meal product into the supermarkets and for direct home delivery.

Originally, Scalini's was two restaurants but during 2019 Michael made the decision to make the move and go into providing supermarkets with pre prepared meals. To achieve this Michael closed his recently opened second Restaurant in Ellerslie and turned this into a full Commercial Kitchen.

Michael approached the New World Management at Remuera and Eastridge. His philosophy was let his food do the talking and to this end he provided the management team with test samples. The decision was a resounding yes and the first product arrived on the supermarket shelves on the 1st December 2019. Michael also took the unusual approach of no advertising but the product flew off the shelves and within 3 weeks he had the figures to approach the Milford and Lunn Ave New World teams to prove the concept worked and that people were eager to purchase the product.

His other point of difference was that he would stock the shelves himself on a regular basis, rather than relying on supermarket staff etc.

Covid actually slowed down sales initially, but as a result it allowed Michael the time to focus solely on the supermarket business as the restaurant at St Heliers was closed. This vital time allowed him the opportunity to refine production, packaging and distribution. Post Covid he was well placed to accelerate growth as more and more supermarkets wished to come on board and stock the products, including some in Northland, Waikato and Bay of Plenty creating new logistical issues.

A year on from the initial meal range being supplied to Remuera and Eastridge New Worlds these supermarkets are still his biggest clients.

From the initial two supermarkets in December 2019 he currently is supplying 50 supermarkets and about to launch into a further 2. This meteoric rise really proves that the public is willing to embrace pre-prepared meals but more importantly is looking for a premium quality product. He is living the dream he has had for 30 years. The next big step being direct home delivery.

We suggest you keep an eye out for them in your local supermarket.

What impact did Covid have on the Business?

For Michael, the first lockdown allowed him to concentrate on the new part of his business. For seven weeks the restaurant was closed but the commercial kitchen was open as it was an essential service supplying goods to the supermarket. He was still able to earn money while the restaurant was closed and although the sales slowed over the first lock down it helped in a strange sense by allowing him to consolidate the processes, supply chains and ideas that he was building.

Covid gave him the time at a critical moment in a business's life cycle to grow his business and to really move forward and grab the opportunities that have arisen and make them work for Scalini's.

Michael can see real opportunities opening up in 2021 with his next move into home delivery between Warkworth and Pukekohe.

His product range is now almost the full restaurant menu, save for seafood options. He offers not only pizza and pasta but fully prepared Italian meals.

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Future focused:
governance developments on the COVID-19 journey

Directors in Australia, the UK and the US shared with us the experience of their boards during the past 6 months of the COVID-19 pandemic. We outline some positive developments for corporate and not-for-profit governance.

When you are learning to ride a bike, you quickly learn that it takes a fair bit of wobbling and falling off. Success requires building skill and being persistent.

The next challenge is riding in unfamiliar conditions. If the brakes fail when you are going downhill, you quickly discover that you have to stop worrying about the brakes. Steering is all important. You need to look ahead.

These are appropriate analogies for the situation that boards have experienced in 2020. The situation is unfamiliar to everyone, but well- prepared organisations have been able to maintain their momentum and strategic focus.

Structural rigour in their governance and the broad expertise of individual directors have helped see them through to this point. It has helped them work across the detail, rather than becoming trapped within it. Shared experiences from other boards has improved decision making. Looking ahead is helping them to steer towards the future.

We spoke with directors of major organisations listed on the ASX, NYSE and LSE, as well as those on the boards of private groups, government organisations and not-for-profit entities. We wanted to understand the impact of COVID-19 on their organisations' governance. Particularly, we wanted to understand the impact of COVID-19 on the behaviour of boards and directors.

We sought US and UK perspectives in order to understand the experience in countries under far greater strain from COVID-19 than has been Australia's experience to date.

Our interviews took place in June and July 2020. As a result, our findings come from directors experiencing the pandemic at various stages.

Some organisations were relatively stable, with their countries having experienced a first wave. Others were operating bereavement call lines to support staff through the loss of family, friends and colleagues. We thank each of our participants for their generous and open approach in sharing their perspectives.

The international experience

Pamela Packard, President of the National Association of Corporate Directors New York Chapter, discussed with us the stark reality faced by boards in the United States during COVID-19.

Some companies with "long-tenured" directors have recognised that they are in a high risk situation. They identified age diversity as a specific succession requirement.

"The whole board is in a high risk category."

The priority has been the health of employees and staff, followed by "cash as king".

Yet, in this environment, boards are also placing a greater focus on corporate purpose, taking the lead from the US Business Roundtable's August 2019 Statement on the Purpose of the Corporation.

Boards are testing the validity of their organisation's purpose - should they deliberately pursue it or revisit it completely? How is that purpose communicated to stakeholders?

Similar themes came from our discussions with Gordon Hardie, a non-executive director of Owens Glass Inc., a global manufacturer of glass packaging for the beverage and food industry, listed on NYSE. He has also joined LSE-listed Greencore Group PLC, a leading convenience food manufacturer (including ambient, chilled and ready-meals).

The pandemic brought to the fore the importance of purpose in both companies in galvanizing all stakeholders to fight the pandemic in a cohesive and aligned way. This sense of purpose allowed for extraordinary agility across the supply chain in both companies in the face of the pandemic, delivering significant changes in days or weeks that otherwise might have taken months or longer to deliver.

For Greencore, its focus was "keeping our people safe and feeding the UK". Its priorities were to look after its people while keeping its food plants functioning for the sake of communities.

"Both boards and management teams had as their top priority keeping our people and our customers safe and went to extraordinary lengths to do so."

His explanation of the scale and scope of the impacts of the COVID-19 in the UK and the US were the most direct and affecting of all our interviewees. He spoke of the depth of what was required to support staff, from the strains of management to bereavement support lines for those losing family, friends and work colleagues. A salutary reminder of what our lives could look like.

Our key findings

Our key findings related to:

- **governance structures,** including the importance of purpose and values as a governance tool, new perspectives on risk and disciplined information flows to support decision-making;
- **people,** including the bench strength and resilience of both boards and managers, with impacts on concepts of succession planning; and
- **governance of operational settings,** including how relationships with management have been re-set and a greater confidence in the acceleration of execution pace.

We discuss these findings on the following pages, and offer some questions the board can ask to test and adjust its organisation's approach.

The key developments are extracted below.

Key developments for governance structures

The importance of corporate purpose

Clearly articulated values and well-defined corporate purpose have been critical to effective decision-making, particularly for large organisations with many stakeholders.

A more nuanced approach to risk frameworks

Organisations are revisiting risk, including risk correlation and risk lead indicators.

Board and management succession have been elevated as risks requiring mitigation.

Information flows

More can be done with less. The requirement for timely and targeted information and single-issue board meetings has led to tighter board papers, with more actionable insights.

Where more detail is required, there is a healthier dynamic when challenging information with management.

Key developments for people

Board strength and resilience, including succession planning

Boards need to give thought to their own bench strength.

Given the decreasing shelf-life for skills currency, non- executive directors may find that governance will evolve in response to the skills of today's executives. This heightens the need for age diversity on boards, and reverse-mentoring. It also highlights the value of director fit and agility, in working beyond their historical skills area.

There was appetite for experience from other board roles to be readily shared and given weight.

Management strength and resilience, including succession planning

Boards will need to actively monitor management fatigue and develop strategies to ensure management have opportunities to refresh and renew. This is both for the mental and physical health of management, as well as diminishing conduct risks for the organisation.

Succession planning for management has moved from the notion of a 'key person' to the concept of building resilience in teams. This was highlighted by the US and UK directors we spoke with, where operations were at risk of illness striking the management team.

In the not-for-profit sector, CEOs are being asked to develop and demonstrate sustainable business models, where there had previously been a reliance on limited sources of revenue.

Key developments for governance of operational settings

The re-setting of how the board and management interact

Board and individual director interactions with management have increased, resulting in a more open way of communicating and leveraging each other's skills and experience. Management is gaining a better understanding of directors' technical skills, experience from multiple directorships, and from managing through previous crises as senior executives.

Execution pace and quality

Internal barriers to development and innovation (at board and management level) have been reduced by necessity.

This has taught boards and management to have the confidence to implement developments quickly and with a solid level of performance, perfecting them later.

Boards are testing risk settings for operations, with a focus on making them scaleable and modular.

We intend to follow up with our participants as time goes on, in order to monitor the ongoing impact and evolution of board processes in this new landscape.

See details of our findings and some suggested board questions on the following pages.

Governance structures

The importance of corporate purpose

Key developments

Clearly articulated values and well-defined corporate purpose have been critical to effective decision-making, particularly for large organisations with many stakeholders.

Global thinking about corporate purpose has heightened. The British Academy's project on the future of the corporation and the US Business Roundtable's August 2019 Statement on the Purpose of the Corporation are now being tested and lived.

Overall, we found that organisations considered themselves better able to cope with the unfamiliar where they had established frameworks for decision making and a clear concept of purpose.

This helped boards balance considerations such as how they would allocate their capital during this period. One chair described it as prioritising staff and community safety, cash demands, service levels and - expressly at the very end of the priorities - "will you make money?"

Where boards and organisations had undertaken significant work on their values and purpose, they were able to apply that work when making choices at a time of rapid change and high risk. There were ethical issues around balancing different elements of that purpose, dealt with as open discussions about that balance, rather than values being a sub-text.

"In the last 3 months I have had more thank yous [from clients] than in the past 5 years."

This included broader ethical conversations about the impact of the pandemic on stakeholders. This ranged from the impact on retirees of lower dividends to the impact on the use of suppliers with workers in high-risk countries. Concerns were also expressed that organisations which were adapting well did not want to appear to profiteer from the environment.

Questions for boards
on corporate purpose

Have you applied your organisation's values in your decision making? Are they streamlined enough to be applied? Do they need revisiting?

Have you been acting in accordance with your organisation's purpose? Consider if you have been in survival mode, stabilising, or planning for the future.

Is your corporate purpose still relevant? Are your values fit for purpose? What are the implications for your business model?

A more nuanced approach to risk frameworks

Key developments
Organisations are revisiting risk, including risk correlation and risk lead indicators.

Board and management succession have been elevated as risks requiring mitigation.

Boards are re-thinking risk in light of the many system failures during the first phase of the COVID-19 pandemic.

"What else of an existential nature could affect the organisation and how does that affect how we think about risk?"

Although pandemics were not generally in boards' risk registers, mature approaches to business continuity planning permitted existing risk planning scenarios to be adapted. The critical factor became not how a risk was categorised but how quickly a team could be raised to respond.

"It's about how quickly you can spin up a team."

Risk correlation will become a stronger theme. This relates to the impact of multiple risk events, as well as the need to better identify lead indicators for risk.

Factors such as the incident volume of low-value risks can act as an early warning of trouble ahead. Individually and collectively directors are revisiting how they have interpreted past indicators of future issues. New models will emerge.

"We have to look at how risks are correlated. Some risks can be the canary in the coalmine (e.g. small bad debts going up) that can be an indicator, for that customer group, of things going wrong."

Another common concern were risks related to people. Interviewees as a whole had the physical and mental welfare of employees front-of-mind, with management fatigue a major concern.

Some raised the issue of a lack of age-diversity on the board, with the whole board in a high-risk category for COVID-19.

One organisation ensured that the chair, "stand-in chair", CEO and "stand-in CEO" met regularly, so that all were in the loop in the event that the chair or CEO fell ill.

Questions for boards

on risk

Does your risk management framework handle risk correlation? Can you stress test it for multiple coinciding risk events?

Have you revisited your risk lead indicators? For example, are you considering incident volume for low-value risks?

Have you considered revising 'key person' risk to broader and deeper board and management succession planning? Are you actively using it as a risk mitigation strategy e.g. involving understudies in key meetings?

Information flows

Key developments

More can be done with less. The requirement for timely and targeted information and single-issue board meetings has led to tighter board papers, with more actionable insights.

Where more detail is required, there is a healthier dynamic when challenging information with management.

Inefficiencies in information flows have been highlighted, but the conversations around them have in some ways been easier than usual.

"I ask management: What are the actionable insights, so I can be more useful?'"

Organisations have generally sought much shorter and simpler board papers (including 1-pagers) during this period. This has been necessary for speed of operation.

How has the COVID-19 experience been different for boards?

The speed with which the COVID-19 pandemic struck globally has been unlike other recent experiences of downturns.

The global impacts of the pandemic have challenged the just-in-time inventory and business processes that modern organisations rely on for costs efficiencies.

Government interventions in all countries have been unexpectedly quick and deep.

Where governments have been slower to act, organisations have been unable to influence the course of the pandemic on their staff and customers.

Boards cannot anticipate the end point of the pandemic or its economic after-effects. In the event of development of an effective vaccine or vaccines, the success of its implementation will be affected by the rationale to the vaccine or vaccines (e.g. immunity for the vaccinated individual, with or without neutralising their ability to be infectious), access to the vaccine and the public health settings of individual countries.

Boards have assisted with strategic settings, then left matters to management so that they could be fast and flexible in making operational decisions.

The exception to brevity appears to be in financial reporting, which has become more detailed as cash-flow forecasting and monitoring are more salient than ever. Some organisations with sophisticated financial reporting and monitoring did not have readily accessible cash-flow information - a sign of the sudden shift in economic conditions.

By contrast to the trends for more disciplined board papers, some new directors on-boarded during this period were given licence to be more active in their own induction and were given greater access to management and detailed information. This was especially so for new directors on audit committees.

Without the ability to "walk the floor" to pick up general information, or to have incidental discussions (or to review and reflect) during coffee breaks or meals, directors have been finding various ways to obtain and test information, while trying not to over-burden fatigued management teams. One chair described his increased role as an intermediary. He acted as the main contact point for directors' queries, to ensure that the management team was able to focus where necessary.

More interactions with management are also helping to re- set the tone for challenging management information. After the APRA inquiry into the Commonwealth Bank of Australia, the approach to challenging information from management has been dictated by "don't tell me, show me". In our experience, this has sometimes been perceived as a lack of trust, and has this has sometimes been perceived as a lack of trust, and has heightened tensions with management. It has also resulted in a greater volume of material being produced for the board, rather than greater insight being displayed in board papers. In contrast, the COVID-19 experience has created better engagement by management in information gathering and testing, within tight timeframes, resulting in a mutual focus on better-quality outcomes.

Questions for boards
on information flows

Do your board papers contain actionable insights? Are they too long?

Are you being clear about your purpose for information, for board papers and in other interactions with management? Communicate the 'why' in order to focus and engage management. Are you challenging management openly and positively?

Questions for boards

on information flows

How are you gathering and testing information when you can't walk the floor? Have you identified critical lead (and lag) indicators in order to receive prompt information for non-financial risks (including conduct risks)?

Do you have sufficient lead indicators for culture? For example, in a dispersed workforce, absenteeism is not a lead indicator.

Will your lead indicators be sensitive to cultural changes in operating environments, as the organisation moves out of crisis and into stabilisation phase?

People

Board strength and resilience, including succession planning

Key developments

Boards need to give thought to their own bench strength.

Given the decreasing shelf-life for skills currency, non-executive directors may find that governance will evolve in response to the skills of today's executives. This heightens the need for age diversity on boards, and reverse-mentoring. It also highlights the value of director fit and agility, in working beyond their historical skills area.

There was appetite for experience from other board roles to be readily shared and given weight.

The quality of individual directors has been similarly highlighted by this crisis. Interviewees said they soon saw who could do what on the board, and changed their operating style in order to effectively execute their oversight role while supporting management. Capable directors included those who were able to deal quickly and assuredly with matters, yet also pause and test situations when required. Other directors did not step up as well to the challenges.

> "You need people who can catch and throw. They can resist the flow of the river when they need to, and go with the flow when it is required."

Our research suggested that boards are now looking for more texture in their consideration of board skills, compared to their existing method for identifying skill gaps.

Director fit was identified as a critical element for boards. Some skills from executive experience become rapidly outdated (even in a short time frame). It is more important to bring agile thinking and depth of experience to the table.

Board diversity should include diversity of age, as well as gender, ethnicity, experience, and skills. The speed of change has meant that non-executive directors who have left the executive suite only a few years ago are becoming aware of the lack of currency of their skills.

This may lead to a push for age diversity on boards, so that the valuable strategic skills held by more experienced directors are coupled with more currency of skills in younger directors, forming a bridge to management. Senior directors can mentor younger directors; the younger can develop the more senior directors by reverse-mentoring. This brings agility, to apply existing experience into new environments and to solve problems outside directors' historical areas of expertise.

While we do not endorse over-boarding, a number of participants also highlighted the benefit of non-executive directors having experience from multiple boards. The ability of boards to respond to specific challenges was aided by the perspective of non-executive directors with access to other organisations and their approaches. Examples included:

- The value of having a member who was also chair of an organisation with Chinese operations. That experience provided valuable lead time to his other boards to comprehend the enormity of COVID-19.
- The speed of response when needs arose e.g. to identify quality consultants that directors had experienced elsewhere.

Interviewees called out as strong chairs those who have had the ability to frame the questions to facilitate discussion, rather than framing the discussion itself.

However, some chairs told us they felt they needed to be more directive than usual in the intense early phases of the pandemic response.

Strong chairs also ensured participation of all members, in order to overcome the limitations of using video technology. This was noted as a particular challenge for not-for-profit boards, where younger representative members appeared to feel less comfortable to contribute.

Questions for boards

on board strength and resilience

Have you considered the COVID-19 risk profile of your individual board members?

Have you made arrangements to mitigate risks of attendance at meetings? Are you using 'understudies' at critical meetings?

How is the board managing its own interactions and culture?

Are directors making unreasonable demands for information? This could be an indicator that the director is not coping, as well as overloading management.

Are the chair and the committee chairs leading and framing the questions in order to promote strategic thought for operational issues?

Are information flows to individual directors uneven? Who is in the 'kitchen cabinet' and who is not? Why? How can this situation be improved?

Is your board the right size to balance the need for skills, participation levels and workload?

Do you have a board structured for the future? Do you have age, gender and ethnic diversity as well as skills diversity, to ensure depth of talent and opportunities for mentoring and reverse-mentoring?

Have you investigated the operational style of board candidates? Can they work effectively beyond their historical skill areas?

Are board members able to share valuable experience from other companies and sectors?

Management strength and resilience, including succession planning

Key developments

Boards will need to actively monitor management fatigue and develop strategies to ensure management have opportunities to refresh and renew. This is both for the mental and physical health of management, as well as diminishing conduct risks for the organisation.

Succession planning for management has moved from the notion of a 'key person' to the concept of building resilience in teams. This was highlighted by the US and UK directors we spoke with, where operations were at risk of illness striking the management team.

In the not-for-profit sector, CEOs are being asked to develop and demonstrate sustainable business models, where there had previously been a reliance on limited sources of revenue.

The quality of senior management was highlighted.

The majority of interviewees praised their management, while also expressing concern about management fatigue. Similarly, this led to discussions of the depth and breadth of management succession planning which would be required.

"When there is light and fire, you see what you always had."

Praise was also given to other staff. One interviewee felt that teams' ability to perform had historically been underestimated by senior management, and this had been one of the barriers to project execution.

Poor quality was also highlighted, particularly in the not- for-profit sector where business models had not been tested and CEOs may operate the organisation as an autocracy.

One consequence of empowering management teams to be nimble was that some felt unsupported. They felt that the board had left them to deal with the consequences of the board's choices, and to be the front line for difficult decisions.

While there were no unexpected board resignations during this period, there were some surprise resignations from management.

Interviewees expressed their deep concern about the pressure upon management during this period, and the fact that there was no clear end to operating in this environment.

"I worry about the fatigue factor for senior executives...For senior people, life changed."

The military has a concept of 'operating tempo', which prepares forces and commanders for the heightened level of operations when deployed for months at a time, available 24/7.

By contrast, management teams are more used to sporadic increases in workload, such as during a transaction or in reporting periods. They are not prepared for sustained periods. There is no clear end date for COVID-19 or its economic after-effects.

"My guidance for the board has been to get out of the road on operational matters - management needs time and space to move quickly."

Where chairs had healthy, interactive relationships with management, they were able to maintain the necessary level of connection to support management strategically, while permitting management flexibility operationally.

Questions for boards

on management strength and resilience

Is your ideal crisis CEO different to your ideal business-as- usual CEO? What qualities differentiate them? Given the indefinite length of COVID-19, what needs to be in your business-as-usual CEO's toolkit? Is your management bench strength capable of more than business-as-usual?

How deep is your management succession planning? Should you use the concept of "stand ins" who may or may not be successors, to future-proof the team for short term as well as long term disruptions?

Is your team using COVID-19 as an excuse for underlying issues with poor execution e.g. delayed customer service?

Is your management team coping with fatigue? Can you encourage the CEO to lead by example, such as taking a short burst of leave for 7 days after the scheduled board meeting?

Does a rest improve management operations?

Is management's refusal to take leave or blocking of information flows creating or masking risk issues?

Governance of operational settings

The re-setting of how the board and management interact

Key developments

Board and individual director interactions with management have increased, resulting in a more open way of communicating and leveraging each other's skills and experience. Management is gaining a better understanding of directors' technical skills, experience from multiple directorships, and from managing through previous crises as senior executives.

Non-executive directors are traditionally very careful to strike a balance between open interactions with management and management contact levels that may impede the ability to oversee that executive. Directors do not want to be so involved in an operational issue that they are no longer able to exercise oversight, or that there are uneven information flows to some board members compared to others.

A consequence of the pace of execution during COVID- 19 has been an increase in management-driven engagement with the board. Interviewees noted this as a positive, with barriers to contact reduced.

Also, management are learning to leverage the skills of their directors. In addition to their technical areas of experience, board members with multiple

directorships are sharing more information with management. Directors who were senior executives through previous downturns have unique insight to managing through crises.

Relationships with those deeper within the staff teams has also been enhanced.

> "Some of the artificial boundaries between management and the board are challenged."

While people told us it was harder to read the body language in on-line sessions with executives, we hope that having more interactions with executives has filled some of the gaps arising from directors being unable to "walk the floor". Ideally, it could lead to fewer surprises for the board, as management has the opportunity to be more open when communicating live issues.

It may also result in more mentoring of executives by directors, and potentially in reverse-mentoring. As noted by one chair, the shelf-life of executive skills is becoming shorter, and directors will need to develop their governance skills in response to the new skills of executives.

Questions for boards

on re-setting of board and management interactions

What is the profile of your management team? Have they

been senior executives during previous crises?

Does management appreciate the experience of board members as senior executives during previous crises?

Does the board have a deliberate strategy or insight into managing interactions of directors with executives, to maintain a healthy level of interaction, without overloading management with contact or losing board oversight? This should be re-assessed as circumstances change.

Are board members focused on sharing valuable experience from other companies and sectors?

Execution pace and quality

Key developments

Internal barriers to development and innovation (at board and management level) have been reduced by necessity.

This has taught boards and management to have the confidence to implement developments quickly and with a solid level of performance, perfecting them later.

Boards are testing risk settings for operations, with a focus on making them scaleable and modular.

COVID-19 made organisations reduce lead times and launch developments, rather than only launching the refined product. We heard multiple stories of how businesses responded within days or months to produce digital outcomes which were previously thought to require 2 to 3 years to be implemented.

> "We have been moving on 'good', and perfecting on the way through, rather than waiting on perfection. Strangely, this has bolstered the confidence of the management team."

Senior management found increased confidence in themselves, as well as being surprised at their own teams' ability to execute.

Some of this acceleration of development was necessary to save business models. For other organisations, the acceleration was to service urgent needs of its customers and other stakeholders. Several directors stated that they had not appreciated prior to the pandemic that their organisations were essential services; they now realise that their services are part of the architecture of supporting workforces and communities.

Questions for boards

on execution pace and quality

What have you done successfully at speed and how can you replicate that as business as usual?

What don't you want to revert to? Restructure while you have the opportunity.

How scaleable and modular are your operations, to respond rapidly to ongoing change?

Questions for boards on re-setting of board and management interactions

What is the profile of your management team? Have they been senior executives during previous crises?

Conclusion

We started thinking about this topic from the perspective of what latent governance issues were being exposed by COVID-19.

As we spoke to more directors, including those with international perspectives, our focus shifted. We wanted to find positive impacts from the pandemic on governance that would support and strengthen organisations and communities at a time of ongoing and extreme change.

This crisis has re-set how organisations and their boards and management operate. It has given them a new perspective, one that is more externally focused. It has reinforced the importance of corporate purpose and of balancing and protecting the interests of multiple stakeholders.

When threatened by the scale of the detail and its difficulty, boards and management are doing their best to focus on the bigger picture – for their organisations and their relationships with each other.

About the authors

Karina Marcar is the founder of Brabourne. Her board review and governance experience ranges from the S&P/ ASX 100 to public institutions, in sectors spanning financial services to infrastructure. She understands commercial drivers for Australian and multi-national businesses. She is people-focused and builds trust with interviewees in order to draw out critical themes for how boards can enhance their performance.

Her skills working with boards are enhanced by her previous career of 25 years in mergers and acquisitions and corporate law in Australia and the UK, including over 17 years as a partner at Johnson Winter & Slattery and Blake Dawson Waldron (now Ashurst). At the time of leaving legal practice, Karina was listed as a leading lawyer for Corporate Law and Mergers and Acquisitions Law in Best Lawyers Australia.

Karina is a member of the Australian Institute of Company Directors and a fellow of the Governance Institute of Australia.

Brian Freestone has had considerable experience in developing strategic and business planning processes for organisations including workshop facilitation at board and exco levels; design and development of planning processes to link board expectations to management focus and the integration of reporting systems to drive performance across the organisation.

Brian has established a number of very successful companies. He was a founder of the Calan Group, a health-sector investment bank in New Zealand, of which he was Executive Chairman. His achievements include the launch and listing on the NZX of Calan Healthcare Properties Trust, a healthcare property REIT (NZX:VHP) from start up to $NZ225 million, as well as private equity investing in the health sector.

Brian is a member of both the Australian Institute of Company Directors and the Institute of Directors in New Zealand.

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Meet our Team

Nigel Smith

Nigel is the founder of Covisory, having left the former boutique tax practice he founded in 1996 to again set out on his own. He was keen to get back on the tolls doing what he loves; working with clients and trying to find creative and commercial solutions to their problems.

While Covisory has grown, this time Nigel has managed it by working with other high-level experts in separate joint venture businesses. The aim is definitely to keep it small and boutique.

When not working Nigel is regularly found on the golf course, either playing or practising, usually in the mistaken believe that he can still beat his 16 year old son, although he will assure you that he does manage to do this regularly.

Nigel is married to Lisa who is also an accountant. Their daughter Alice is 19 and just completing her first year at Auckland University taking a BA Bsc which she will use to become a teacher. Nathan is 16 and currently a year 12 at St Kentigern's. He is trying to decide whether to pursue a career as a professional golfer or as an engineer or graphic designer.

The final, and some would say the most important member of the family, is Teddy, a 5 year old GIANT labradoodle. He is the only member of the family that is sad to see him go to work in the morning, and happy to see him arrive home at night.

In the past Nigel has been an active sailor in International A class Catamarans and Javelins, as well as windsurfing. He also raced an ex NZ V8 commodore race car for many years before retiring to spend more time involved in the kids sport and activities. Now you may find Nigel at Pauanui, on the harbour, at the beach or on a golf course.

What to do if you cannot find the original deed of trust?

When carrying out reviews of trust structures before the Trusts Act 2019 comes into force early next year, one of the issues we have seen come up repeatedly is no-one knows where the original trust document. Ultimately with a bit of investigation they are finally located, but in some cases they cannot be located – even the original deed of trust.

Not having the original deed of trust does cause some issues. For example what happens if the original deed of trust needs to be certified as a true copy for anti-money laundering purposes or it is needed to open a bank account. In the vast majority of cases there will be an electronic copy of the deed of trust available and that provides an option for the trustees.

The trustees can enter into a deed recording and ratifying the terms of the trust. This is specific document where a print out of the electronically stored copy of the deed of trust is annexed to it and the trustees (and the settlors if they are living) declare the copy of the annexed deed is identical to the original deed of trust. They then acknowledge and ratify the terms of the trust. It is helpful if the settlors are still living in these circumstances as they are a party to the trust and signed the original deed of trust. However, if they are no longer living this is not fatal to putting this in place.

If you are a trustee then you need to ensure you know where the original trust documents are being kept. Ideally, there should be electronic copies stored as well.

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New to exporting or wanting to accelerate internationally?

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- Our strengths include: Crisp insights, strategic advisory, access to international professional networks.
- D.IN.E. is the internationalisation expert that understands local needs. We help you to make your business highly visible to your international customers, locally.
- Market entry.
- International expansion.
- Go-To-Market (GTM) – predominantly in Europe and across the Asia Pacific region; however, some geographical coverage also in North America, South America, the Middle East and Africa.
- Screening of market information or quick market checking.
- Extensive market study.
- Industry overview (industry size, trade statistics, industry performance).
- Identification and activation of distribution channels.
- Analysis of potential competitors and customers.
- Industry associations and publications.
- Industry trade shows and conferences.
- Customer research, identification and targeting.
- Local business partners search.
- Marketing, public relations, advertising and sponsorship opportunities.

INTERNATIONAL:

- Event management and trade Expo representation: Concept development, participation and event follow-up.
- Round tables, showroom, product launch, partner seminars, workshops, conferences, networking events, trade shows, gala receptions and press conferences.
- Entity Setup and support: Establish a foreign entity with speed, precision, and compliance.
- General business representation and business administration services.

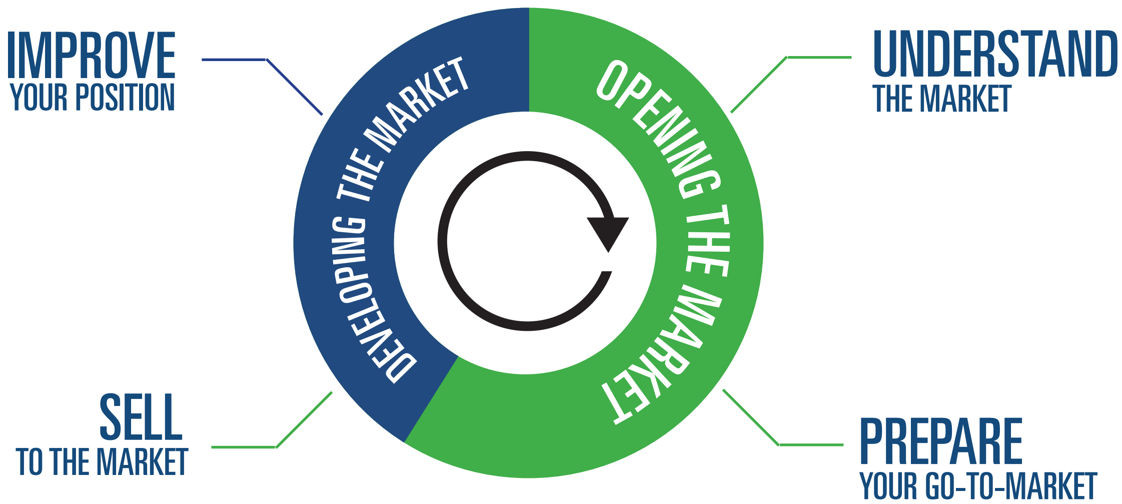
As the largest European economies, Germany and France are generally late movers, hierarchical and conservative.

In order to be taken seriously by local procurement professionals and end-customers, differentiation from the abundance of competitors and complementary market players is therefore paramount.

As another example, the Dutch market is generally a first-mover market, and very difficult to grow, without locally experienced sales and highly skilled marketing people.

Four steps – the key principles of the proven UPSI model:

Our differentiation methodology and international GTM concepts have their origins from many years of local sales and marketing management practical experiences. Our way of working comprises four steps, which ensures the avoidance of key mistakes. Many exporting companies have made the mistakes in the past – causing 80% of them to give up in less than 12 months after launching in new foreign markets.



1: Understand the market(s) you want to enter:

- We help you understand, who the players and the trends are on the local market.

2: Prepare:

- We help you to adapt and to prepare your local Go-To-Market (GTM) strategy.

3: Sell:

- Our onsite consultants are with you every step of the way and will help you develop your optimal sales approach to achieve sales meetings.

4: Improve:

- We will work together with you and collaborate closely with you all along the way around your business plan objectives.

Trusted advisors:

A useful support in these circumstances is an advisor to the export business. Someone who knows the various international markets (as well as unique business cultures) really well and who can be a wise head for Exporters to talk to. This person needs to be a great listener, with excellent people skills, a knowledge of the business, and an understanding of marketing and sales planning. Most of all, they need to be trusted. They rarely tell people what to do; rather they ask questions to enable the businesses to work things out for optimal outcomes on the international stage.

If you are thinking of moving out into the international arena take the opportunity to talk to the New Zealand based Member of DINE. Michael is a long-standing client of Covisory and regularly partners with the Covisory Team.

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Do I **still** need a Trust?

Any trust structure should be reviewed on a regular basis, regardless of the impending trust law changes in New Zealand. The first question any review should ask is: Is this trust still fit for purpose?

For trusts that have been around a number of years the answer to this question will vary. Often it is yes, sometimes it is no and sometimes a maybe – especially if the purpose of the trust has changed from when it was set up initially.

We regularly have this type of discussion with clients and the concerns about some aspects of the trust law changes have clients questioning whether a trust is still relevant for them. Although we have been advising some clients to wind up their trusts based on their specific circumstances in the vast majority of cases the answer is yes, the trust is still needed.

Why is a trust still relevant?

- Asset Protection: a trust has always been good vehicle for asset protection planning. If you are an individual in a high risk job (for example acting as a company director) or run a business that is high risk of litigation then a trust will provide protection from personal creditor claims assuming it has been set up and administered properly. Unfortunately, relationship property claims are making inroads into property held in trusts, but a trust coupled with a relationship property agreement should provide good protection here.
- Inheritance Planning: a trust can act as a vehicle for the transfer of family wealth after death as opposed to a Will and will offer more flexibility in that transfer. For example, a discretionary trust can stagger payments over time and there is also no requirement to provide for equal treatment between the beneficiaries. A Will is a more structured document, and the executors will need to follow the bequests set out in a Will carefully. As a trust is more flexible so a beneficiary can receive distributions when it is more appropriate, for example not making any payments when a beneficiary is in a crumbling relationship or a beneficiary is bankrupt.
- Tax Planning: the introduction of the top personal tax rate of 39% for incomes over $180,000 will allow for tax planning opportunities with the trustee tax rate only being 33%. This will not work for everyone – especially if you are a wage or salary earner – but for some clients using a trust to take advantage of the difference in tax rates will be an option. Specific tax advice will be required before looking at this in detail.

We still get asked as to whether a trust is a good vehicle to enable the claiming of rest home subsidies. The Ministry of Social Development who administer this area look at the wealth held in trusts to apply the asset depravation tests. They have had some good wins in this area by looking at the trust structure from the beginning meaning the use of a trust to hold assets and claim a rest home subsidy is minimal in today's environment.

If you have not yet reviewed your trust for the trust law changes or it has not been reviewed for a number of years then we recommend this is done as soon as possible. We would be happy to help with this so please contact us to discuss your needs.

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Achieving a harmonious family business

Family businesses are the backbone of the New Zealand economy. They are very common. However, mixing family relationships and business can be great, or it can be a recipe for disaster, both at home and at work.

So here are five simple tips to keeping family and business relationships harmonious:

1. Keep work at work and home at home. Try to ensure that there are no discussions at the family dinner table about work and what happened there today. If you cannot discuss it in 8-10 hours at the office, it cannot be that urgent and it can wait until tomorrow. You still need to be a family.

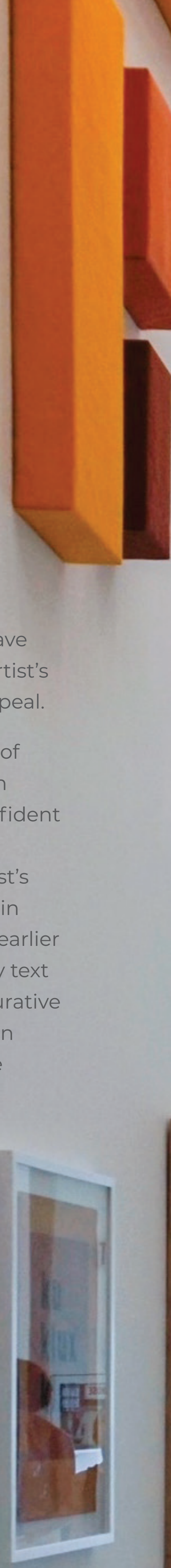
2. If possible, have children report to or be mentored by non-family members. The size and scale of many businesses will not allow this, but where it does then do so. It will be better for the children to hear any constructive criticism from a third party as they probably have long since stopped listening to Mum and Dad.

3. Benchmark family remuneration by using third party data or providers. Parents believe they pay too much while children feel they are underpaid.

4. Up front appoint a trusted third party to referee any major issues that may arise. Do not wait until one does. Empower them to make a decision that is binding. However, they do need to be independent and it should only be used for significant matters, not any minor item in disagreement.

5. Be transparent about performance by family members. They should have the same 6 or 12 monthly performance reviews as other staff. Treat them as if they were not family members.

When does a work of art have **Investment Potential?**



Buying art can be a truly enjoyable and rewarding pastime but it is always wise to carefully consider what you are purchasing to make sure your initial financial outlay is protected and outlined below are few key factors to consider when choosing a work to join your collection.

If you've been looking at art for a while, you may already have an artist in your sights whose work you wish to purchase, or maybe you've seen something in a gallery or coming up in an auction which really appeals. Before you commit to buying, take a step back and do some research about the artist and the work. Do a bit of reading on the internet, talk to the professionals such as the gallery or auction house staff where the work is being sold, and check out the public collections such as Auckland Art Gallery online to see what holdings they have of the artist.

From this, you will be able to ascertain the period or subject matter created by the artist which is considered iconic and the most desirable as these are the works you should try to concentrate on acquiring. Don Binney's 'bird paintings' from the 1960s are considered the pinnacle of his career even though he painted many other landscapes and birds over a thirty year period. Grahame Sydney's Otago landscapes are highly sought after and command much higher prices than his portraits and figurative works and Peter Peryer's photographs of his wife Erica from the 1970s consistently achieve more than his landscape views. An iconic subject is like a safety net for the artwork, as these works are the 'tried and true' examples, they may have been ground breaking when they were painted, or have become significant later in the context of the artist's career or have always had great commercial appeal.

Often these great examples appear at the start of the artist's 'mid-career' once the artist had been practising for 15-20 years and have become confident in themselves and their artistic practise. Iconic works may reference an earlier series of the artist's work but are treated in a revolutionary way. Colin McCahon's 'Elias' series from 1959 relates to his earlier religious paintings from the 1940s but are solely text painted on canvas rather than containing a figurative element. Sometimes, revolutionary painting can come at the end of an artist's career, in the case of Frances Hodgkins who spent from 1890-1920 painting very pretty but recognisable watercolours of scenes in France and Holland but gradually became more abstract in style and by the 1930s was painting bold, dynamic landscapes which were totally non-representational. For many people, these works are considered tough paintings, difficult to enjoy compared with her earlier works but for collectors who have spent time looking and learning about Hodgkins, these are some of their favourites, because they show her evolution as an artist.

Scale is also important when considering investment potential in an artist. A generously proportioned work will always command a higher price than a small work of the same series or subject matter, although this does not always hold true with

very large works as there is a smaller pool of buyers who are able to accommodate such a piece in their home. Ralph Hotere is an artist who painted across all sizes and mediums. Some of his largest works are the Song Cycle banners which measure over 3 metres high and need a wall or double height space to be displayed. In the past these works have been quite difficult to sell compared to his smaller works.

Another important factor to consider is if the artist is in the collections of public institutions such as Auckland Art Gallery or Te Papa or has had exhibitions at local or national non-commercial institutions such as The Dowse or City Gallery in Wellington or The Suter in Nelson. Inclusion in these collections and exhibiting in these locations shows that the artist is achieving critical acclaim from art curators and the artists's work has been considered significant within the story of New Zealand art history. If the galleries are purchasing certain works by an artist or a period or style, this is another 'tick of approval' and can often signify that the artist is worth collecting. In recent years, Auckland Art Gallery has been purchasing examples of Maori Modernism, works which have been created by artists such as Arnold Wilson, Para Matchitt and Selwyn Muru from the 1950s and 1960s and this has corresponded with an uptick in the prices for these artists at auction. Information about collection content is easily accessible online through the gallery websites so it's easy to do a quick search and check what examples are included in the collections of these important institutions.

When speaking with clients who ask our purchasing advice at Art Valuations NZ we will always advise the client to buy the best example of the artist's work that they can afford. Whether it's $2,000, $20,000 or $200,000 there is always something in every price bracket that is worth buying if it's a great example. Although the initial outlay may feel expensive, especially if it was more than you wanted to spend, if you have done your research and followed the collecting guidelines, it's worth spending the extra in the long run, to acquire a strong example.

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Global Support Local Knowledge

What happens if you wish to do business outside of New Zealand?

Covisory is a member of IAPA International. Our membership in this association ultimately provides you with a more comprehensive range of expert services anywhere in the world. If you are intending to conduct business globally or if you are relocating overseas talk to us about what IAPA can offer.

Established in 1979 IAPA Is a leading global association of independent accounting, audit, tax, legal, advisory, financial, immigration and technology service firms that aim to support its members in providing their clients with a diverse range of professional, comprehensive and cost effective business solutions regardless of sector or location.

Currently IAPA comprises of over 185 member firms with officers in over 70 countries. IAPA ranks in the top 9 of associations of independent accountancy firms in the world. We know that success on a global stage comes from local knowledge and the international reach that IAPA offers allows us to tap into first-hand knowledge of local regulations, culture and customs removing the potential cross border uncertainties and increasing the opportunities for real business development for you the client.

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